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17 TIMOTHY YEO AND TAF GROUP LTD.

12 UNITED STATES DISTRICT COURT

13 NORTHERN DISTRICT OF CALIFORNIA, , SAN FRANCISCO DIVISION

14 DAVID B. CAMPBELL,
15 Plaintiff,

16 vs.
17 TIMOTHY YEO and TAF GROUP, LTD., a
18 British Virgin Islands Company,
19 Defendants.

Case No. CV 07 6229MHP

20)
21) **JOINT CASE MANAGEMENT**
22) **STATEMENT AND REQUEST TO**
23) **PARTICIPATE IN CASE MANAGEMENT**
24) **CONFERENCE BY TELEPHONE**

25) Date: August 4, 2008
26) Time: 4:00 p.m.
27) Courtroom G
28)

1
2 Plaintiff DAVID B. CAMPBELL and Defendants TIMOTHY YEO ("Yeo") and TAF
3 GROUP, LTD. ("TAF") submit this Joint Case Management Statement pursuant to Local Rule 16-
4 9(a) and the Clerk's Notice dated June 9, 2008, scheduling the Case Management Conference in the
5 above-captioned matter.

6 1. Jurisdiction and Service: Jurisdiction is predicated on 28 USC § 1332. Defendants,
7 by and through their counsel of record, accepted service of the Complaint on May 7, 2008.

8 2. Facts:

9 Plaintiff contends that, in October 2005, plaintiff loaned defendant TAF Group, Ltd.,
10 \$325,000.00 and defendant Yeo signed and delivered to plaintiff on behalf of defendant TAF Group,
11 Ltd., a Promissory Note dated October 15, 2005, a copy of which is attached as Exhibit "A" to the
12 complaint. Mr. Yeo also delivered to plaintiff a signed personal guarantee of the Promissory Note, a
13 copy of which is attached as Exhibit "B" to the complaint. Defendants failed to make payments
14 when due under the terms of the note, and on or about September 5, 2007 plaintiff declared the
15 unpaid balance of principal and interest to be immediately due and payable under the terms of the
16 Promissory Note and made demand for payment under the personal guarantee. Unpaid principal
17 interest and default penalties in the aggregate amount of \$356,741.61 were due and payable as of
18 October 31, 2007. Interest and default penalties continue to accrue under the terms of the
19 Promissory Note at the rate of \$83.17 per day.

20 Defendants contend that Plaintiff and TAF entered into an agreement (the "Investment
21 Agreement") whereby the parties agreed that TAF would not be liable on the Promissory Note
22 unless TAF failed to perform its obligations pursuant to Investment Agreement. The Investment
23 Agreement modified, supplemented, or nullified TAF's obligations, if any, under the Promissory
24 Note. TAF entered into the Promissory Note in reliance on the Investment Agreement. TAF has not
25 failed to perform its obligations pursuant to Investment Agreement, thus, TAF has no obligation to
26 pay in accordance with the Promissory Note. Similarly, because TAF has not failed to pay the
27 Promissory Note (because it has no obligation to do so), Yeo has no obligation pursuant to the
28 Personal Guaranty.

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1 Plaintiff contends that he and Defendants did not enter into an Investment Agreement, or any
2 other agreement contrary to the terms of the Promissory Note and the Personal Guaranty.

3 3. Legal Issues:

4 Plaintiff believes that the parol evidence rule (California Code of Civil Procedure §1856 and
5 California Commercial Code §2202) bars the introduction of any evidence to contradict the
6 unambiguous language of the integrated Promissory Note and Personal Guaranty.

7 Defendants believe that there are numerous disputed points of law, including but not limited
8 to whether the Promissory Note and Personal Guaranty were procured by fraud, are barred by
9 California Uniform Commercial Code § 3117 and by the law governing sham transactions, or fail for
10 a lack of consideration.

11 4. Motions: There are no prior or pending motions.

12 5. Amendment of Pleadings: Plaintiff does not expect any party's claims or defenses to
13 be added or dismissed. Defendants anticipate filing a motion for leave to file a Demand for Jury
14 Trial. Defendants further anticipate filing a motion for leave to amend their Answer.

15 6. Evidence Preservation: Plaintiff has no document destruction program, but has not
16 erased any emails, voicemails, or other electronically recorded material relating to evidence relevant
17 to the issues in the action. Defendants have no document destruction program, but has not erased
18 any emails, voicemails, or other electronically recorded material relating to evidence relevant to the
19 issues in the action.

20 7. Disclosures: The parties have not yet made the initial disclosures required by FRCP
21 26.

22 8. Discovery: No discovery has been taken to date. Plaintiff and Defendants intend to
23 take discovery in the form of document production requests, requests for admission, interrogatories,
24 third-party subpoenas, and depositions.

25 9. Class Actions: This is not a class action.

26 10. Related Cases: There are no related cases.

1 11. Relief: Plaintiff seeks damages of \$356,741.61 plus interest and default penalties at
2 the rate of \$83.17 per day since October 31, 2007, plus reasonable attorney fees and costs, under the
3 terms of the Promissory Note. Defendants contend that Plaintiff should take nothing and be afforded
4 no relief under the Complaint, and that Plaintiff's claims be dismissed with prejudice in their entirety
5 and judgment entered in favor of Defendants. Defendants further seek their reasonable attorneys'
6 fees and costs pursuant to California Civil Code § 1717.

7 12. Settlement and ADR: There have been no ADR efforts to date. Plaintiff has filed
8 the ADR Certification required by Civil L.R. 16-8(b) and ADR L.R. 3-5(b). The parties have met
9 and conferred regarding ADR, and have filed a Notice of Need for ADR Phone Conference pursuant
10 to Civil L.R. 16-8 and ADR L.R. 3-5. A date for the phone conference has not yet been set.

11 13. Consent to Magistrate Judge For All Purposes: Plaintiff consented to have a
12 Magistrate Judge conduct all further proceedings including trial and entry of judgment. Defendants
13 did not consent to have a Magistrate Judge conduct all further proceedings including trial and entry
14 of judgment.

15 14. Other References: Plaintiff believes that the case may be suitable for reference to
16 binding arbitration. Plaintiff and Defendants believe that the case is not suitable for reference to a
17 special master, or the Judicial Panel on Multi-District Litigation.

18 15. Narrowing of Issues: Plaintiff believes that the issue of the applicability of the parol
19 evidence rule may be decided by motion. Defendants disagree, primarily because Plaintiff has not
20 explained the basis upon which this belief is formed. The parties do not otherwise believe that there
21 are issues that can be narrowed by agreement or by motion, or that there will be any request to
22 bifurcate issues, claims, or defenses.

23 16. Expedited Schedule: Plaintiff believes that this is the type of case that can be
24 handled on an expedited basis with streamlined procedures. Defendants do not believe that this case
25 can be handled on an expedited basis, based upon the significant factual and legal issues set forth
26 above. In addition, Defendant Timothy Yeo is a resident of Singapore, and Defendant TAF is a
27 British Virgin Islands corporation, with its principal place of business in Hong Kong, China. Thus,
28

1 it is Defendants' position that the process of gathering evidence, taking discovery, and
 2 communicating between client and counsel, all militate against any attempt to expedite the resolution
 3 of this matter.

4 17. Scheduling: The parties defer to the court with respect to dates for designation of
 5 experts, discovery cut-off, hearing of dispositive motions, pretrial conference, and trial.

6 18. Trial: Plaintiff contends that the case will be tried to the Court in one hour, assuming
 7 that his motion to exclude testimony under the parol evidence rule is granted. Defendants contend
 8 that the trial will take 1-2 days.

9 19. Disclosure of Non-party Interested Entities or Persons: Plaintiff certified in the
 10 Separate Case Management Statement he filed on March 27, 2008 that, other than the named parties,
 11 there is no person, association of persons, firm, partnership, corporation, or other entity that has a
 12 financial interest in the subject matter in controversy or in any party, or has a non-financial interest
 13 in the subject matter or in a party that could be substantially affected by the outcome of this
 14 proceeding. Defendants filed a Certification of Interested Entities or Persons on June 4, 2008.

15 20. Request For Appearance By Telephone: The parties each request permission to
 16 participate in the Case Management Conference calendared for August 4, 2008 by telephone.

17 Date: July 25, 2008

Respectfully submitted,

18
19
20 /s/

21 M. ARMON COOPER
 Attorney for Plaintiff David B. Campbell

22 Date: July 25, 2008

23 WHITE O'CONNOR FINK & BRENNER LLP
 Edward E. Weiman

24 /s/

25 EDWARD E. WEIMAN
 26 Attorneys for Defendants
 Timothy Yeo and TAF Group Ltd.